...me Court, U.S.
FILED

No. 03- 031547 MAY 12 2004

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IN THE

Supreme Court of the United States

PASSPORT VIDEO, PASSPORT INTERNATIONAL PRODUCTIONS, INC., PASSPORT INTERNATIONAL PRODUCTIONS OF CALIFORNIA, INC., DANTE PUGLIESE,

Petitioners,

v.

ELVIS PRESLEY ENTERPRISES, INC., NATIONAL BANK OF COMMERCE, trustee of "THE PROMENADE TRUST"; SOFA ENTERTAINMENT, INC., JAYNE MEADOWS ALLEN, JERRY LIEBER, MIKE STOLLER, JULIAN J. ABERBACH AND ALFRED WERTHEIMER,

Respondents.

ON PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE NINTH CIRCUIT

PETITION FOR A WRIT OF CERTIORARI

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QUESTIONS PRESENTED

1. Does an injunction against a biography of a famous entertainer for copyright infringement violate the First Amendment when the allegedly infringing work is subject to a colorable fair use defense?

2. Does the requirement that injunctive relief be in the public interest prohibit the injunction of a biography of a famous entertainer for copyright infringement when the biography is subject to a colorable fair use defense?

3. Did the Court of Appeals evaluate the first and fourth factors of the statutory fair use defense under 17 U.S.C. § 107(a) in a manner inconsistent with this Court's decisions?

CORPORATE DISCLOSURE STATEMENT

Neither of the Petitioner corporations have parent corporations. No publicly held company owns 10% or more of the stock of either Petitioner corporation.

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Petitioners Passport Video, Passport International Productions, Inc., Passport International Productions of California, Inc. and Dante Pugliese petition for a writ of certiorari to review the judgment of the Court of Appeals for the Ninth Circuit in this case.

OPINIONS BELOW

The Opinion of the Court of Appeals is reported at 349 F.3d 622 and can be found in the Appendix hereto ("App.") at 1a. The Amended Dissent of Judge Noonan is reported at 357 F.3d 896 and can be found at App. 19a. The district court's Findings of Fact and Conclusions of Law are unreported and can be found at 28a.

STATEMENT OF JURISDICTION

The Ninth Circuit's Order denying Petitioners' Petition for Rehearing En Banc was filed on February 12, 2004. (App. 50a). The district court had subject matter jurisdiction under 28 U.S.C. §§ 1331 and 1338. The Ninth Circuit had jurisdiction over the appeal under Federal Rule of Civil Procedure 54(b) and 28 U.S.C. § 1292(a)(1). This Court has jurisdiction under 28 U.S.C. § 1254.

CONSTITUTIONAL AND STATUTORY PROVISIONS INVOLVED

The Patent and Copyright Clause confers upon Congress the Power: "To promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries." U.S. Const., art. I, § 8, cl. 8.

The First Amendment provides, in pertinent part, that "Congress shall make no law . . . abridging the freedom of speech, or of the press. . . ." *Id.*, amend. I.

17 U.S.C. § 107(a) provides:

> Notwithstanding the provisions of sections 106 and 106A, the fair use of a copyrighted work . . . for purposes such as criticism, comments, news reporting, teaching . . . scholarship or research, is not an infringement of copyright. In determining whether the use made of a work in any particular case is a fair use the factors to be considered shall include –
>
> > (1) the purpose and character of the use, including whether such use is of a commercial nature or is for nonprofit educational purposes;
> >
> > (2) the nature of the copyrighted work;
> >
> > (3) the amount and substantiality of the portion used in relation to the copyrighted work as a whole; and
> >
> > (4) the effect of the use upon the potential market or value of the copyrighted work.

INTRODUCTION

This case presents this Court with an opportunity to settle, for the first time, an important federal question regarding the applicability of the First Amendment to fair use cases: Does the First Amendment provide an independent basis to bar an injunction against an infringing work subject to the fair use defense? In addition, this case will permit the Court to expand on its decision in *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569, 578 n.10 (1994) that a court must take into account the public interest before granting an injunction against an allegedly infringing work that asserts a colorable fair use defense.

Finally, the Ninth Circuit evaluated the first and fourth fair use factors in a manner inconsistent with this Court's opinions. As a result, its decision affirming the district court's finding that Respondents would likely defeat Petitioner's fair use defense was incorrect as a matter of law.

STATEMENT OF THE CASE

Petitioners produced and distributed "The Definitive Elvis," (the "Biography"), a sixteen hour biographical documentary of one of the most famous people in history, Elvis Presley. *USA Today* called the Biography "the most comprehensive overview yet of the King's [Presley's] personal and professional life." *Elvis Presley Enterprises, Inc. v. Passport Video*, 357 F.3d 896, 898 (9th Cir. 2004), (Noonan, C.J., dissenting). It also has been described by consumers as a "masterpiece" and a "must-have" for any Elvis fan.

Respondents are the owners of various copyrights in audiovisual works depicting Elvis Presley, musical compositions recorded and made famous by him, and still photographs of him, his family and associates (the "Copyrighted Materials"). Petitioners used numerous excerpts of the Copyrighted Material throughout the Biography. The vast majority of those excerpts are less than 20 seconds.

Petitioners spent $2,000,000 producing the Biography, over 90% of which consists of 216 original interviews, original location and establishing footage, and original music, created and owned by Petitioners. All of the Copyrighted Material collectively makes up less than 5% of the Biography. The Biography often depicts the interviewee discussing the contents of the excerpts of Copyrighted Material upon which Respondents sue, or otherwise use those excerpts to comment upon the subject of the Biography.

The Biography was released on July 23, 2002. Respondents filed their Complaint on September 9, 2002 (later amended to add additional plaintiffs) alleging claims for copyright infringement, trademark infringement, unfair competition, dilution, and infringement of the right to publicity. Respondents' Motion for a Preliminary Injunction, enjoining the further advertising and sale of the Biography, was granted by the district court, based on Respondents' First Claim for Copyright Infringement, on October 23, 2002, and entered on November 19, 2002.

Petitioners then filed an appeal to the United States Court of Appeals on November 25, 2002. The Ninth Circuit affirmed the district court in a 2-1 published opinion, which was filed on November 6, 2003. (App. A). Petitioners then

filed a timely Petition for Rehearing En Banc on November 19, 2003. On February 6, 2004, during the pendency of that Petition, Circuit Judge Noonan filed an Amended Dissent. (App. B). On February 12, 2004, the Ninth Circuit filed its Order denying Petitioner's Petition for Rehearing. (App. C).

REASONS FOR GRANTING THE PETITION

I. The Important Federal Question of Whether The First Amendment Bars an Injunction for Copyright Infringement When The Infringing Work Is Subject to a Colorable Fair Use Defense Should Be Settled By This Court

This case presents an important constitutional question of first impression: whether the First Amendment bars an injunction on copyright infringement grounds where the allegedly infringing work is subject to a colorable fair use defense.[1] Petitioner respectfully submits that this question must be answered in the affirmative.

Several commentators have opined that granting a preliminary injunction in a copyright case involving a colorable fair use defense would violate the First Amendment. In an article in the Duke Law Journal, noted constitutional law professors Mark A. Lemley (University of Texas School of Law) and Eugene K. Volokh (UCLA School of Law)

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1. There is no doubt that Petitioners asserted a colorable fair use defense. The Ninth Circuit held that the first factor was "a close issue;" the second factor in part was a "close call", and the fourth factor did not "weigh[] strongly in either side's favor." *Elvis Presley Enterprises, Inc. v. Passport Video*, 349 F.3d 622, 629, 631. (App. 7a).

concluded that preliminary injunctions in copyright cases involving fair use defenses are unconstitutional:

> [P]ermanent injunctions in copyright cases should generally be constitutional, and the same should go for preliminary injunctions that clearly involve literal copying [piracy] with no plausible claim of fair use or of copying mere idea rather than expression. Other preliminary injunctions, though, should generally be unconstitutional.

Mark A. Lemley & Eugene Volokh, *Freedom of Speech and Injunctions in Intellectual Property Cases* 48 DUKE L.J. 147, 151 (1998). (*See also*, *Id.* at 182: "preliminary injunctions in copyright cases pose serious free speech problems"). One of the most respected authorities on copyright law, David Nimmer, has also opined that the First Amendment may preclude the issuance of a preliminary injunction in copyright cases involving a fair use defense:

> [A] court might find that in the narrow area of 'news photographs,' the First Amendment precludes application of those remedies under the Copyright Act relating to infringer's profits, statutory damages, injunctive relief, and impounding and destruction of negatives and prints.

1 NIMMER ON COPYRIGHT § 1.10[C][2] (2002).[2]

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2. Nimmer defines photographs as "all products of the photographic and analogous processes, including motion picture film and video tape," and a "news photograph" as one where the event

(Cont'd)

Yet another commentator has indicated that injunctions should be denied in copyright cases where fair uses defenses are asserted. Kreiss, 43 UCLA L. REV. 71 (1995) ("In these cases, courts should . . . consider withholding injunctive relief.").

Unfortunately, the Ninth Circuit below rejected any separate evaluation of the propriety of the injunction on free speech grounds, holding that "First Amendment concerns in copyright cases are subsumed within the fair use inquiry." *Elvis Presley Enterprises, Inc. v. Passport Video*, 349 F.3d 622, 626 (App. 7a). This position, that no independent First Amendment analysis is permitted in copyright infringement cases, is also followed by the Second and D.C. Circuits.

In *Eldred v. Reno*, 239 F.3d 372, 376 (D.C. Cir. 2001), the D.C. Circuit held that the fact the works in question were copyrighted and subject to the fair use defense "obviated further inquiry under the First Amendment." The Second Circuit has similarly rejected "First Amendment challenges to injunctions from copyright infringement on the grounds that First Amendment concerns are protected by and coextensive with the fair use doctrine." *Nihon Keizai, Inc. v. Comline Bus. Data, Inc.*, 166 F.3d 65, 74 (2d Cir. 1999).

(Cont'd)

depicted in the photograph, as distinguished from the fact the photograph was made, is newsworthy. *Id.* Here, the clips Petitioners used from the Ed Sullivan Show and the 1968 Comeback Special, are clearly news "photographs" because Petitioners are commenting on the newsworthiness of the events depicted therein: Elvis Presley's historical appearance on the Ed Sullivan Show and the surprising revival of his career on the Comeback Special, respectively.

Only one Court of Appeal has held that the First Amendment can be evaluated in conjunction with a fair use defense in determining whether an injunction should issue. In *Suntrust Bank v. Houghton Mifflin Co.*, 268 F.3d 1257, 1276 (11th Cir. 2001), the Eleventh Circuit became the first to use the First Amendment to limit a copyright holder's rights:

> Thus, a lack of irreparable injury to Suntrust, together **with the First Amendment concerns regarding comment and criticism *and*** the likelihood that a fair use defense will prevail, make injunctive relief improper. . . . the issuance of the injunction was at odds with the shared principles of the First Amendment and the copyright law. (Emphasis supplied).

Suntrust Bank v. Houghton Mifflin Co., 268 F.3d 1257, 1276, 1277 (11th Cir. 2001).

Two years later, this Court, in *Eldred v. Ashcroft*, 537 U.S. 186 (2003), held that copyrighted works are not "categorically immune from challenges under the First Amendment" and that, in fact, courts are specifically directed to consider First Amendment challenges if their decision "altered the traditional contours of copyright protection[,]" *Eldred* at 789. Given the Court's willingness to consider the First Amendment as a distinct basis for analyzing copyright cases, it should take this opportunity to hold that there are, in fact, certain cases where an injunction of the infringing work would be violative of the First Amendment.

This is such a case. The Biography was a massive undertaking that, by all accounts, lives up to its name, "The *Definitive* Elvis." Over ninety five percent (95%) of the Biography consists of hundreds of original interviews and other new footage created by Petitioner; only 5% of it is made up of the Respondents' copyrighted works. Enjoining such an exhaustive biographical documentary without even considering the possibility that damages alone could adequately compensate the Respondents for any infringements (in the event fair use was found to be absent)[3] surely violates the First Amendment guarantees of free speech.

As Judge Noonan stated in his dissenting Opinion below:

> In a case of this kind involving the biography of a man with an immense following, it is necessary for the court to keep in mind that injunctions are a device of equity and are to be used equitably, and that a court suppressing speech must be aware that it is trenching on a zone made sacred by the First Amendment.

Elvis Presley Enterprises, Inc. v. Passport Video, 357 F.3d 896, 899 (Noonan, C.J., dissenting) (App. 25a).

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3. *See, e.g., Abend v. MCA*, 863 F.2d 1465, *aff'd sub nom., Stewart v. Abend*, 495 U.S. 207 (1990), where the Ninth Circuit determined that an injunction of a classic film was not appropriate because monetary damages would adequately compensate for any infringement.

II. By Disregarding The Public Interest When It Affirmed the Preliminary Injunction, The Ninth Circuit Decided an Important Federal Question In a Way That Conflicts With a Decision of This Court and The Ninth Circuit's Own Precedent

The Ninth Circuit's affirmance of the district court's order granting a preliminary injunction of the Biography (App. D, 47a), is at odds with the Court's decision in *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569, 578, n.10. (1994). There, the Court held:

> Because the fair use enquiry often requires close questions of judgment as to the extent of permissible borrowing in cases involving parodies (***or other critical works***) courts may want to bear in mind that the goals of the copyright law, 'to stimulate the creation and publication of edifying matter,' Leval 1134, are not always best served by automatically granting injunctive relief when parodists are found to have gone beyond the bounds of fair use. *See* 17 U.S.C. § 502(a) (court 'may . . . grant . . . injunctions on such terms as it may deem reasonable to prevent or restrain infringement.') (Emphasis added); Leval 1132 (while in the 'vast majority of cases, [an injunctive] remedy is justified because most infringements are simple piracy,' such cases are 'worlds apart from many of those raising reasonable contentions of fair use' where '**there may be a strong public interest in the publication of the secondary work [and] the copyright owner's interest may be adequately protected by an award of damages for whatever**

> **infringement is found.**') *Abend v. MCA, Inc.*, 863 F.2d 1465, 1479 (CA9 1988) (finding 'special circumstances' that would cause 'great injustice' to Petitioners and 'public injury' were injunction to issue.) *Aff'd sub nom. Stewart v. Abend*, 495 U.S. 207 (1990). (Emphasis supplied).

The Eleventh Circuit recently applied this passage from *Campbell* to deny injunctive relief where there was a colorable fair use defense: "the Supreme Court has cautioned that such relief may not be consistent with the goals of copyright law in cases in which the alleged infringer of the copyright has a colorable fair-use defense." *Suntrust Bank v. Houghton Mifflin Co.*, 268 F.3d 1257, 1265 (11th Cir. 2001) (citing *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569, 578 n.10 (1994)).

This Court's determination in *Campbell* that an injunction of a critical work which raises a credible fair use defense, such as the Biography, would not be in the public interest is the progeny of *Sony Corp. of America v. Universal City Studios, Inc.*, 464 U.S. 417 (1984). In *Sony*, the Court stated:

> Even if it were deemed that home-use recording of copyrighted material constituted infringement, the Betamax could still legally be used to record noncopyrighted material or material whose owners consented to the copying. **An injunction would deprive the public** of the ability to use

> the Betamax for this noninfringing off-the-air recording. (Emphasis Supplied).

Sony, 464 U.S. at 443.[4]

In addition, the Ninth Circuit's failure to analyze or discuss the impact of the preliminary Injunction on the public interest, runs contrary to its own previous opinion in *Sammartano v. First Judicial District Court*, 303 F.3d 959 (9th Cir. 2002):

> [O]ur precedent requires that we examine the public interest in determining the appropriateness of a preliminary injunction. While we have at times subsumed this inquiry into the balancing of hardships, *see, e.g., Caribbean Motor Services Co. v. Baldridge*, 844 F.2d 668, 674 (9th Cir. 1988), it is better seen as an element that deserves separate attention in cases where the public interest may be affected. *See Fund for Animals v. Lujan*, 962 F.2d 1391, 1400 (9th Cir. 1992); *see also, Wetlands Water District v. Natural Resources Defense Council*, 43 F.3d 457, 459 (9th Cir. 1994) ("If the public interest is involved, the

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4. *See also Weinberger v. Romero-Barcelo*, 456 U.S. 305, 312-313 (1982):

> [W]here an injunction is asked which will adversely affect a public interest for whose impairment, even temporarily, an injunction bond cannot compensate, the court may in the public interest withhold relief until a final determination of the rights of the parties, though the postponement may be burdensome to the plaintiff.

> district court must also determine whether the public interest favors the [movant]").

As noted by Judge Noonan in his dissent, there is little question that the Biography, a 16 hour exhaustive biography of one of the most important figures in the twentieth century, and perhaps the most famous entertainer of all time, is a matter of public interest. *Elvis Presley Enterprises, Inc. v. Passport Video*, 357 F.3d 896, 898 (9th Cir. 2004), (Noonan, C.J., dissenting). The Biography has been described in unbiased media reports as "the most comprehensive overview yet of the King's [Presley's] personal and professional life" *Id.* and by consumers as a "masterpiece" and a "must-have" for any Elvis fan.[5]

Notwithstanding the inescapable conclusion that the Biography is a matter of public interest, and this Court's decision in *Campbell* (and the Ninth Circuit's own decision

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5. As the Court stated in *Monster Communications, Inc. v. Turner Broadcasting System, Inc.*, 935 F. Supp. 490, 494 (S.D.N.Y. 1996) in upholding a fair use defense for, and denying a preliminary injunction against, a defendant who created a documentary about Muhammad Ali using 14 film clips owned by plaintiff, "[T]here can be little doubt that Ali is a figure of legitimate public concern and that his television biography is a subject of public interest." *See also Trust Company Bank v. Putnam Publishing*, 5 USPQ2d 1874, 1877 (C.D. 1988):

> There is a strong public interest favoring the publication of books and novels; an injunction prohibiting the publication of The Blue Bicycle would not serve that public interest in the integrity of copyrights and does not in this case outweigh the public interest in free expression.

in *Sammartano*) neither the trial court, nor the Ninth Circuit, analyzed, discussed or even mentioned the issue of whether the preliminary injunction was in the public interest. This complete failure to address an important limitation on the power of a court to grant injunctive relief in copyright infringement cases should never recur. To make sure it does not, this Court should expand on its statement in *Campbell* and hold that injunctions of critical works which are subject to a colorable fair use defense should not be granted, because such injunctions violate the public interest.

III. The Ninth Circuit's Decision Evaluated The Two Most Important Fair Use Factors, The First and The Fourth, In a Way That Is Inconsistent With This Court's Prior Decisions and Decisions of The Second Circuit

The first and fourth fair use factors, 17 U.S.C. § 107(a) (1) and (4) are inarguably the two most important factors in evaluating the fair use question. *See, e.g.*, *Harper & Row Publishers v. Nation Enters.*, 471 U.S. 539 (1985); *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569 (1994).

By evaluating those factors in a way that is inconsistent with this Court's decisions and in conflict with the Second Circuit, the Ninth Circuit came to the wrong conclusion when it found the district court had not erred. If these factors had been properly applied, the Ninth Circuit would have been compelled to find that Petitioner's fair use defense would likely have prevailed, requiring a denial of the injunction.

A. *The First Factor*

The first fair use factor is "(1) the purpose and character of the use, including whether such use is of a commercial nature or is for nonprofit educational purposes." By finding that commercial nature of the Biography "weighs against a finding of fair use," *Elvis Presley Enterprises, Inc. v. Passport Video*, 349 F.3d 622, 627 and ignoring Petitioner's contention that the Biography should be viewed as presumptively fair, the Ninth Circuit came to the wrong conclusion regarding this first factor, in conflict with decisions of this Court and the Second Circuit.

First, in *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569 (1994), this Court expressly ruled that a commercial use is not presumptively unfair. *Id.*, 510 U.S. at 583-84. The Ninth Circuit's decision below runs counter to that holding.

Second, because the Biography used the Respondents' copyrighted works in a critical biography, the Second Circuit would determine that there is a strong presumption that Petitioners' use is **fair**. *Wright v. Warner Books, Inc.*, 953 F.2d 731 (2d Cir. 1991); *Robinson v. Random House*, 877 F. Supp. 830 (S.D.N.Y. 1995).

An illustrative case with facts very similar to this one is *Hofheinz v. A&E Television Networks*, 146 F. Supp. 442 (S.D.N.Y. 2001). In *Hofheinz*, the A&E Network produced an episode of their critically acclaimed commercial show, "Biography," about actor Peter Graves. To illuminate Graves's early acting career, A&E used, without a license, a clip from a film in which he appeared, the copyright to which was owned by Plaintiff.

When granting A&E's motion for summary judgment based on its fair use defense, the district court found that the first factor, the purpose and character of the use, tipped in A&E's favor:

> Here, A&E's biography of Peter Graves does not merely purport to supersede the original movie at issue, but to create a new copyrightable film biography. There is a strong presumption that this factor favors the defendant when the allegedly infringing work fits the description described in § 107 of "criticism, comment, news reporting, teaching . . . scholarship or research." The Court of Appeals summed up the application of this factor to works of biography: "our cases establish that biographies in general and critical biographies, in particular, fit 'comfortably within' these statutory categories "of uses illustrative of uses that can be fair.'" *New Era Publications Inter. ApS v. Carol Publishing Group*, 904 F.2d 152, 156 (2d Cir.1990) (quoting *Salinger v. Random House, Inc.*, 811 F.2d 90 (2d Cir. 1987), *cert. denied*, 484 U.S. 890, 108 S. Ct. 213, 98 L. Ed. 2d 177 (1987).

B. *The Fourth Factor*

The fourth fair use factor is "the effect of the use upon the potential market or value of the copyrighted work." 17 U.S.C. § 107(a)(4).

The Ninth Circuit agreed with the district court and found that the fourth factor tips in Respondents' favor because the Biography abrogates Respondents' ability to license clips of

the Copyrighted Materials and interfered with their plans to release their own planned biography of Elvis Presley, which would incorporate much or all of the Copyrighted Material.

Once again, the Ninth Circuit improperly concluded that because Petitioner's use was commercial, the likelihood of market harm could be presumed. *Elvis Presley Enterprises, Inc. v. Passport Video*, 349 F.3d 622, 631 (9th Cir. 2004). This conclusion is in direct conflict with this Court's holding in *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569, 591 (1994): "No 'presumption' or inference of market harm that might find support in Sony is applicable to a case involving something beyond mere duplication for commercial purposes." Simply put, there is no presumption of harm in evaluating the fourth factor just because the second, allegedly infringing work is commercial.

Moreover, the Court of Appeals' analysis of the fourth factor without reference to that mistaken presumption is flawed. First, the court agreed with Respondents' claim that Petitioners' failure to obtain a license from them for the various alleged uses of copyrighted material in the Biography will harm Respondents' ability to license clips of the Copyrighted Material. *Elvis Presley Enterprises, Inc. v. Passport Video*, 349 F.3d 622, 631 (9th Cir. 2004). This is circular reasoning at its most insidious.

If the use made by Petitioners is fair, then there is no market for licensing the clips for this type of biographical documentary. Indeed, the Court has recognized that the charging of license fees for the "potential market" are relevant to market harm only when the license is for a derivative work. *See, e.g., Harper & Row Publishers v. Nation Enters.*, 471 U.S. 539, 567-68 (1985) (serialization rights of a book);

Stewart v. Abend, 495 U.S. 207, 228-30 (1990) (television, motion picture, and dramatic adaptations of a literary work); *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569, 590 (1994) (nonparody, "rap" adaptation of a musical work).

Thus, Respondents cannot control a use simply by characterizing that use as a "potential market" and deciding to charge for it. This Court routinely rejects attempts by owners to expand the scope of their exclusive rights. *Sony Corp. of America v. Universal City Studios, Inc.*, 464 U.S. 417, 431 (1984).

The same argument accepted by the courts below was rejected by the court in *Hofheinz v. A&E Television Networks*, 146 F. Supp.2d 442, 447 (S.D.N.Y. 2001) (The Peter Graves "Biography" on A & E Network):

> Plaintiff may not boot-strap the specter of a fair use holding against her here, on the facts of this case, as reason why the use was not a fair use to begin with. This circularity was addressed by Judge Sifton in Hofheinz's earlier infringement suit in *Hofheinz v. AMC Productions, Inc.*, 147 F. Supp.2d 127 [sic] (E.D.N.Y. 2001). Hofheinz made the same adverse impact claim in that case and Judge Sifton noted that 'plaintiff's argument, if carried to its logical conclusion, would eviscerate the affirmative defense of fair use since every copyright infringer seeking the protection of the fair use doctrine could have potentially sought a license from the owner of the infringed work. *Id.* at 140.

Therefore,

> [T]he question is what effect will the exhibition of defendant's [work] have on the demand for plaintiff's infringed works themselves, not the effect the [work] will have on her ability to license those works in the future. *Hofheinz v. AMC*, 147 F. Supp.2d 127, 140 (E.D.N.Y. 2001).

Hofheinz v. A&E Television Networks, 146 F. Supp. 442, 449 (S.D.N.Y. 2001).

Second, Respondents' claim that the Biography will negatively impact on Respondents' own future anthological work should have been disregarded in the Ninth Circuit's analysis of the fourth factor:

> As we recently stated in *Wright*, the relevant market effect is that which stems from defendant's use of plaintiff's "expression," not that which stems from defendant's work as a whole. *Wright*, 953 F.2d at 739. Defendant, after all, is perfectly entitled to create a competing work. The copyright statute simply constrains her from using plaintiff's original expression in doing so. Thus, in cases such as this where a meaningful distinction may be drawn between the infringing portions of defendant's work and the work as a whole, we need only consider the market effect of the infringing portions . . .

Arica Institute, Inc. v. Palmer, 970 F.2d 1067, 1078 (2d Cir. 1992).

Accordingly, even if the Biography may be competitive with Respondents' own planned Elvis anthology, that fact cannot be considered when evaluating the fourth factor. Only the use of the Copyrighted Material can be evaluated for determining the effect on the protected work when analyzing the fourth factor.

The Ninth Circuit's failure to correctly analyze the two most important fair use factors caused it to mistakenly affirm the injunction against Petitioner. This Court should grant certiorari to correct this unjust result.

CONCLUSION

For the foregoing reasons, the petition for certiorari should be granted.

Respectfully submitted,

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